



SCANDIC HOTELS

Q3 2021

Scandic

STRONG RESULTS IN AN IMPROVED MARKET

RESULTS AND CASH FLOW TURNED POSITIVE

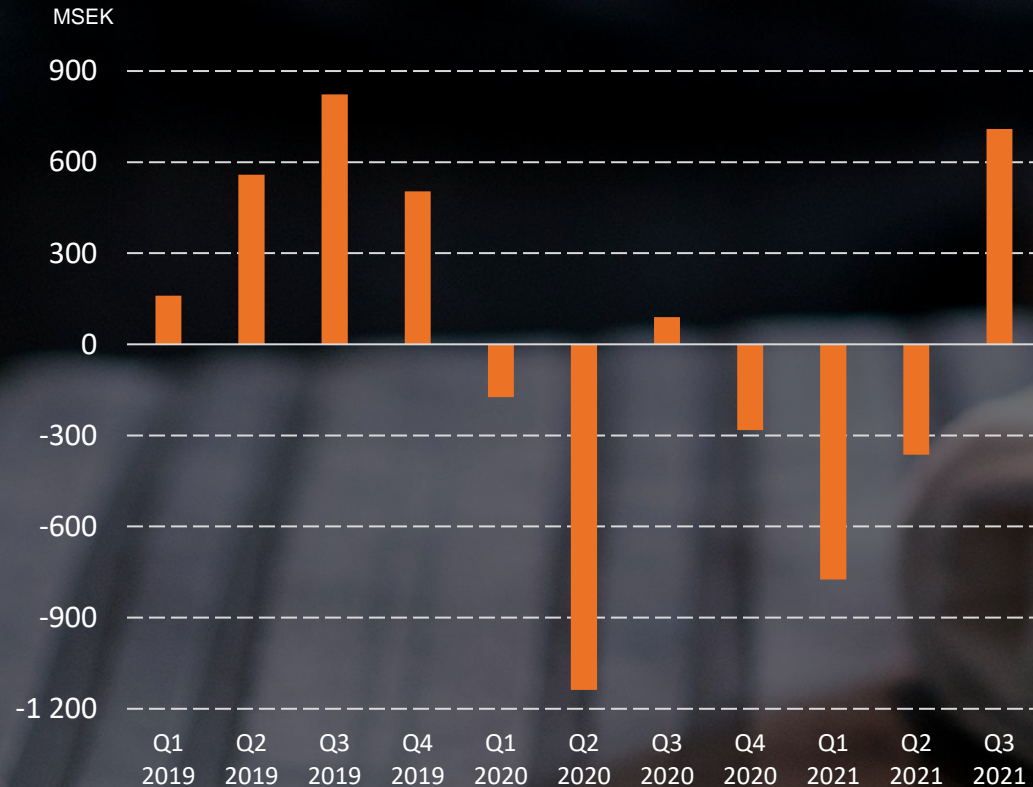
OCCUPANCY 55 PERCENT IN Q3

CONTINUED INCREASE IN BOOKING ACTIVITY

IMPROVING EFFICIENCY AS DEMAND INCREASES

A CLEAR TURNAROUND IN Q3

SCANDIC – QUARTERLY ADJUSTED EBITDA

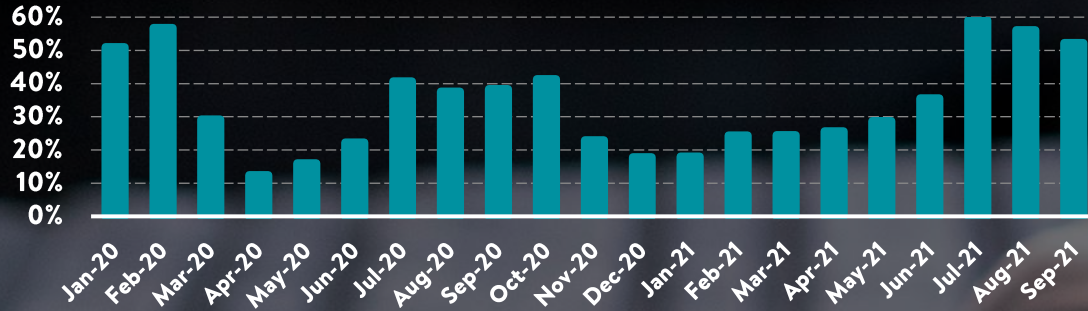


STRONG UNDERLYING DEVELOPMENT ALSO WHEN ADJUSTING FOR:

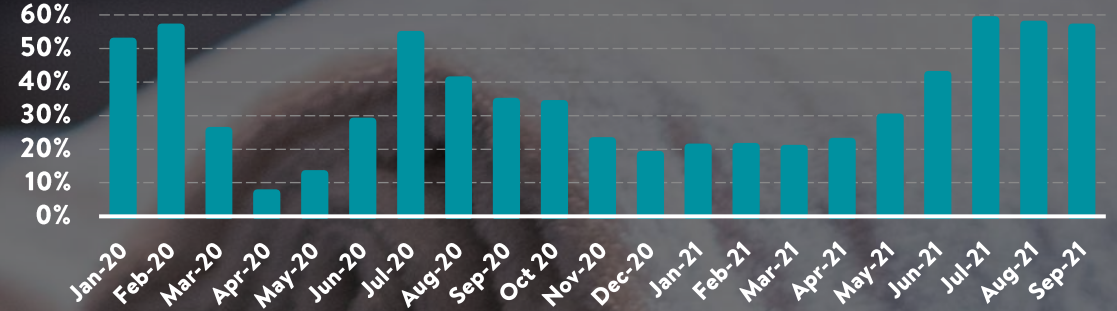
- RECEIVED STATE AID
- INSURANCE REPAYMENT
- CONTRIBUTION FROM QUARANTINE BUSINESS IN NORWAY

MARKET OCCUPANCY >50 PERCENT SINCE JULY

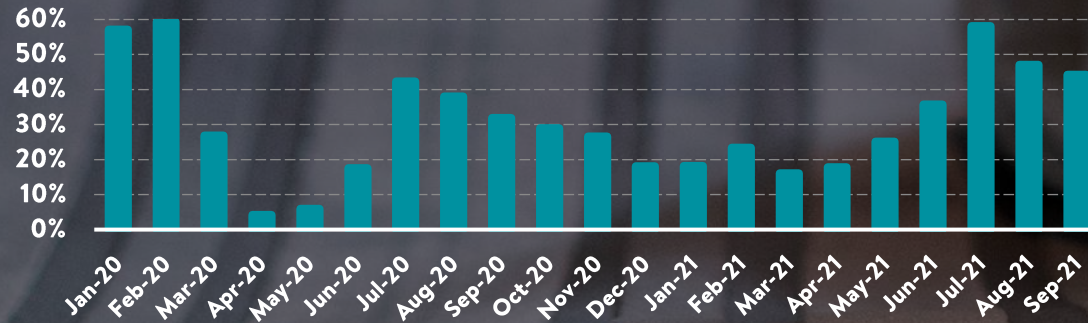
SWEDEN (TOTAL MARKET OCCUPANCY)



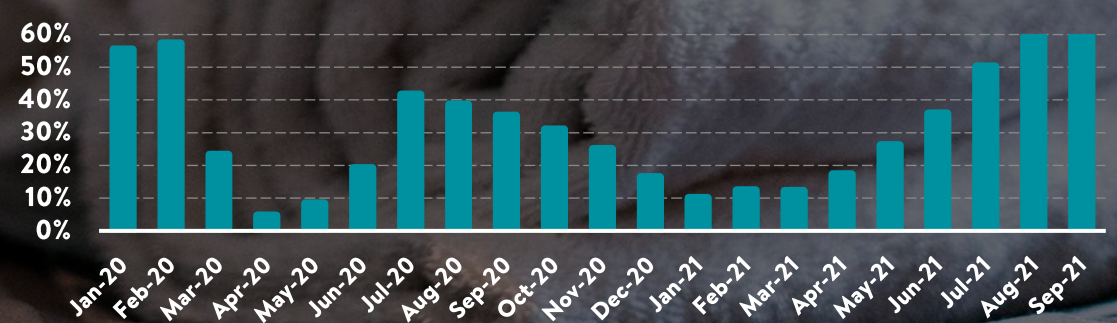
NORWAY (TOTAL MARKET OCCUPANCY)



FINLAND (TOTAL MARKET OCCUPANCY)



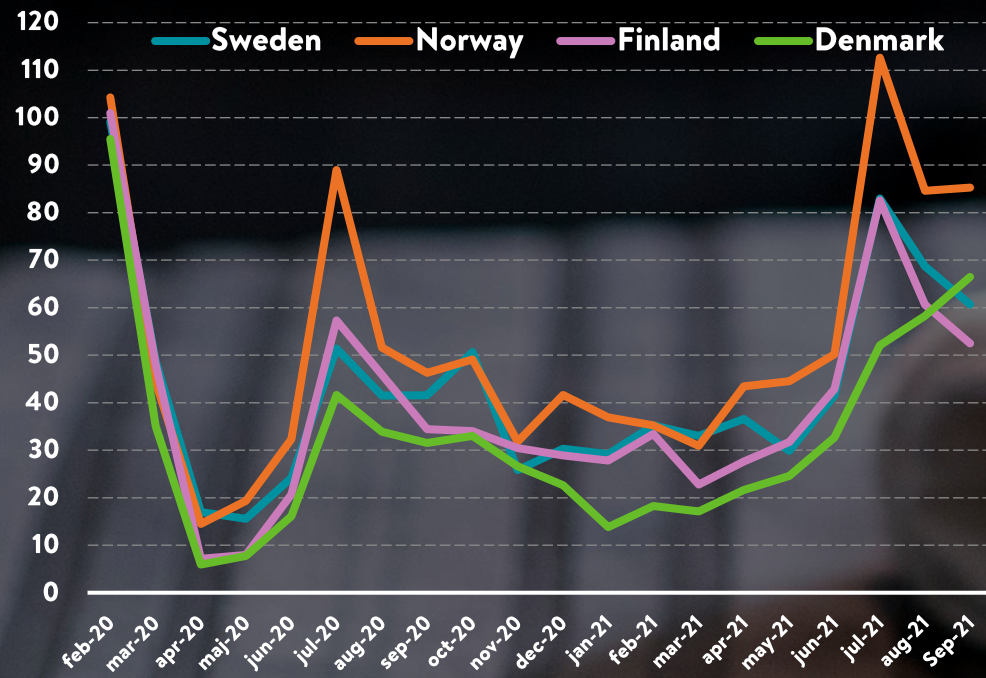
DENMARK (TOTAL MARKET OCCUPANCY)



Source: Benchmarking Alliance

MARKET REVPAR DEVELOPMENT – NORWAY ALMOST BACK TO PRE-PANDEMIC LEVELS

MARKET REVPAR DEVELOPMENT INDEXED TO THE CORRESPONDING MONTH 2019

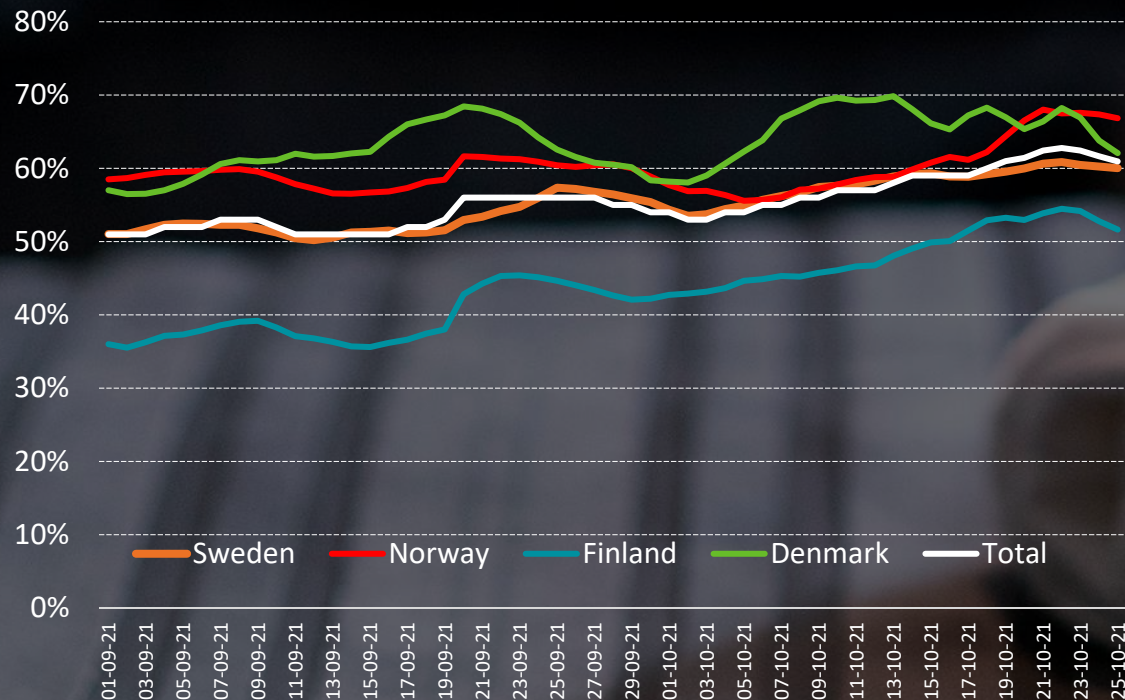


Source: Benchmarking Alliance

- MARKET REVPAR IN NORWAY WAS CLOSE TO 2019 LEVELS IN Q3
- POSITIVE TREND IN DENMARK
- FINLAND STILL IMPACTED BY RESTRICITIONS IN Q3
- IMPROVEMENT FROM LAST YEAR MAINLY EXPLAINED BY HIGHER ACTIVITY IN THE CAPITALS

CONTINUED IMPROVEMENT IN OCTOBER

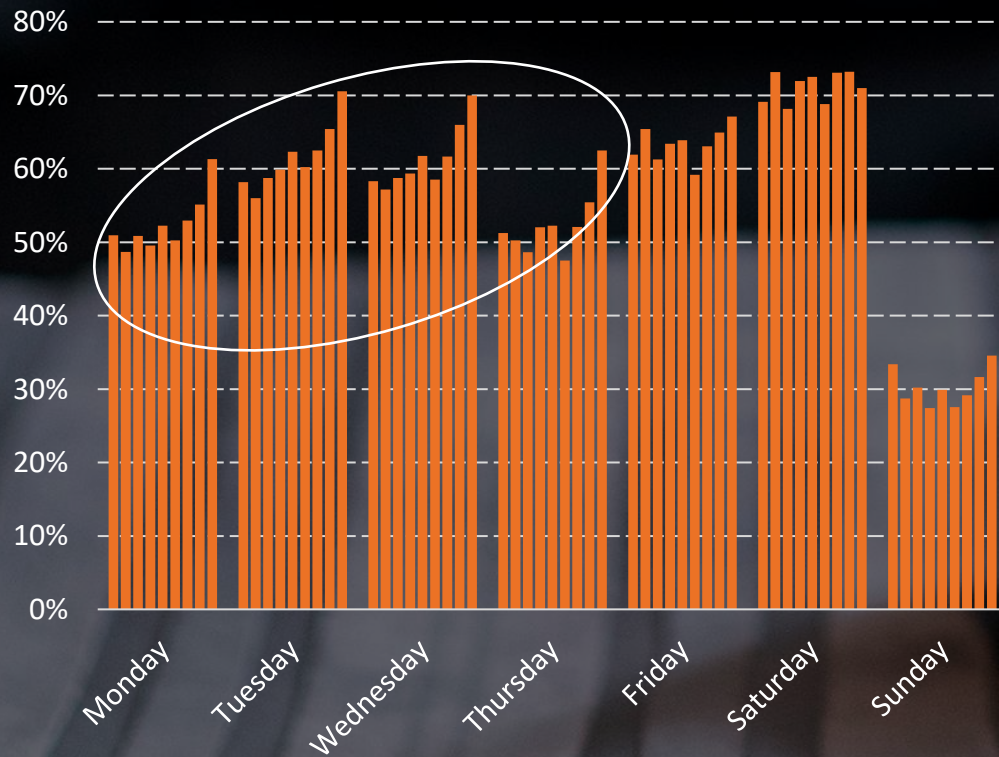
SCANDIC – OCCUPANCY, 7-DAY ROLLING



- **SCANDIC'S OCCUPANCY RATE IS AROUND 60 PERCENT AT PRESENT**
- **POSITIVE TREND IN ALL MARKETS DURING OCTOBER**
- **CLEAR IMPROVEMENT IN FINLAND DRIVEN BY EASED RESTRICTIONS OCTOBER**

CORPORATE DEMAND IS GROWING

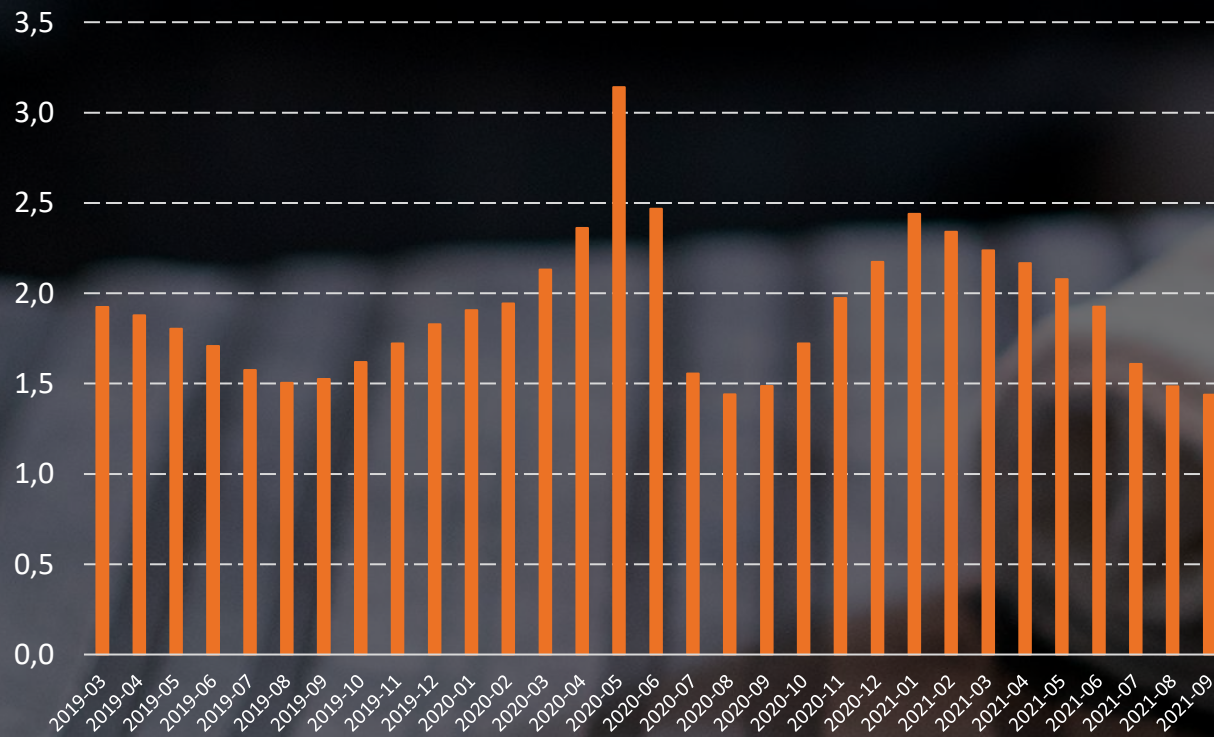
SCANDIC – OCCUPANCY PER WEEKDAY IN THE PAST TWO MONTHS



- **THE MAIN IMPROVEMENT IN OCCUPANCY HAS BEEN DURING MONDAY-THURSDAY DUE TO INCREASED CORPORATE DEMAND**
- **OCCUPANCY ON TUESDAY-WEDNESDAY ARE NOW LARGELY IN LINE WITH SATURDAYS**

IMPROVING EFFICIENCY AS DEMAND INCREASES

WORKING HOURS PER SOLD ROOM ROLLING 3 MONTHS



- **WORKFORCE EFFICIENCY HAS IMPROVED AND IS NOW SLIGHTLY AHEAD OF 2019 LEVELS**
- **SCANDIC HAS INCREASED HEADCOUNT SINCE MAY 2021 AND IT WAS AROUND 70 PERCENT OF PRE-PANDEMIC LEVELS IN SEPTEMBER**
- **CONTINUED STRICT COST FOCUS**

SOLID PIPELINE FOR 2022

Year	Hotel	Destination		No. of Rooms	
Q4 2021	Scandic Hamburger Börs	Turku, Finland	Takeover	272	
Q1 2022	Scandic Macherei	Munich, Germany	New	234	
Q1 2022	Scandic Örebro Central	Örebro, Sweden	New	160	
Q2 2022	Scandic Holmenkollen Park	Holmenkollen, Norway	Reopening	376	Reopening after renovation and extension
Q2 2022	Scandic Nørreport	Copenhagen, Denmark	New	100	
Q2 2022	Scandic Spectrum	Copenhagen, Denmark	New	632	
Q2 2022	Scandic Helsingborg Harbour	Helsingborg, Sweden	New	184	
Q2 2022	Scandic Göteborg Central	Gothenburg, Sweden	New	451	
Q2 2022	Scandic Ferrum	Kiruna, Sweden	New	230	
Q3 2022	Scandic Avenue	Helsinki, Finland	New	350	
Q1 2023	Scandic Hafenpark	Frankfurt, Germany	New	505	
Q1 2025	Scandic Aarhus Harbour	Aarhus, Denmark	New	485	Likely to be reconfigured
				3,979	
	Ongoing extensions			76	
	Exits			-361	
	Total net pipeline			3,694	

FINANCIAL UPDATE

Scandic

STRONG UNDERLYING EBITDA

MSEK	Q3
Adjusted EBITDA	709
Received state aid	132
Repayment of over-consolidation from insurance company	44
Estimated temporary impact from quarantine business in Norway	~150
Underlying adjusted EBITDA	~380

POSITIVE RESULTS IN ALL SEGMENTS IN Q3

Jul-Sep	Net sales		Adjusted EBITDA		Adjusted EBITDA %	
MSEK	2021	2020	2021	2020	2021	2020
Sweden	1,072	625	142	77	13.3%	12.3%
Norway	1,432	724	426	104	29.7%	14.4%
Finland	716	472	29	-95	4.0%	-20.1%
Other Europe	515	264	164	61	31.9%	23.1%
Central costs & Group adj.	-	-	-53	-57	-	-
Group	3,734	2,085	709	90	19.0%	4.3%

**RESULTS INCLUDED POSITIVE
TEMPORARY ITEMS OF 326 MSEK
(371)**

**SWEDEN:
INSURANCE REPAYMENT OF 44
MSEK**

**NORWAY:
ESTIMATED TEMPORARY IMPACT
FROM QUARANTINE BUSINESS
~150 MSEK,
STATE AID 4 MSEK**

**FINLAND:
STATE AID 8 MSEK**

**OTHER EUROPE:
STATE AID 120 MSEK**

FREE CASH FLOW EXCEEDED 500 MSEK

	Q3
Adjusted EBITDA	709
Change in working capital	3
Paid tax	0
Interest paid	-28
Pre-opening costs & other items	20
Cash flow from operations	703
Investments in existing operations	-38
Free cash flow before expansion capex	666
Expansion capex	-118
Free cash flow	547
Net debt (excluding convertible loan)	3,875

- **FREE CASH FLOW WAS 547 MSEK AND NET DEBT FELL TO 3,875 MSEK**
- **THE INSURANCE REPAYMENT OF 44 MSEK WILL AFFECT CASH FLOW IN Q4**
- **LIABILITY FOR PAYMENT RESPITE FOR VAT AND SOCIAL SECURITY CONTRIBUTIONS OF AROUND 500 MSEK IS EXPECTED TO BE REPAID OVER 15 MONTHS STARTING IN Q1 2022**

NET FINANCIAL ITEMS, REPORTED VS CASH FLOW

	Q3
Total financial net, reported	-410
of which interest expenses, IFRS 16	-301
Financial net excl. IFRS 16	-109
Adjustments to paid financial items	
Interest expenses, convertible bond (non-cash)	34
Timing difference, interest on bank loans	39
Other	-1
Total adjustments	73
Paid financial items, net	-36

- **REPORTED FINANCIAL NET WAS -410 MSEK (IFRS 16) & -109 MSEK EXCL. IFRS 16**
- **NON-CASH CONVERTIBLE INTEREST = -34 MSEK**
- **PAID FINANCIAL ITEMS = -36 MSEK**

SENSITIVITY ANALYSIS DURING RECOVERY PHASE

**ESTIMATED IMPACT ON MONTHLY ADJUSTED EBITDA &
CASH FLOW FROM 1PP CHANGE IN OCCUPANCY**

~10-15 MSEK

ESTIMATED ADJUSTED EBITDA BREAK-EVEN

~40% OCC

ESTIMATED CASH FLOW BREAK-EVEN

~50% OCC

IFRS ACCOUNTING EFFECTS

LEASEHOLD ACCOUNTING

Due to temporary rent discounts and extended maturity of lease portfolio, the negative IFRS impact on net result is expected to increase to -560 MSEK for 2021

With the current portfolio, the negative impact will diminish over time and become positive from 2027

CONVERTIBLE BOND

**Interest cost in P&L ~11%, no coupon
Debt/equity split in balance sheet: 78% / 22%
Full dilution in EPS calculation when EPS becomes positive**

CONCLUDING REMARKS

Scandic

OUTLOOK

WE EXPECT OCCUPANCY TO BE AROUND 58 PERCENT IN OCTOBER AND AT LEAST 60 PERCENT IN NOVEMBER

EXPECTED KEY DRIVERS NEAR TERM:

- **CORPORATE & MEETINGS**
- **FINLAND**
- **CAPITAL CITIES**